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GENERAL.

- 1. US approves 15,000-man increase in Greek army strength—
 The Department of State has informed AMAG that the US approves a new ceiling for the Greek Army of 147,000 men, representing an increase of 15,000 rather than the 20,000 asked by AMAG. The US stipulates that this increase must be financed from funds currently allocated to the military aid program and that the Greek Army's present 24-month compulsory service period must be lengthened. The Department suggests that AMAG inform the Greek Government of the US view that the guerrilla menace can be reduced by effective leadership of the present Greek forces and that consequently no further expansion of the army is now justified. (This approved 15,000-man increase is intended to make available a "pipeline" of replacements, not additional combat strength.)
- 2. Soviet attempt to induce French neutrality—According to US Ambassador Smith in Moscow, the French Ambassador there has been "indirectly advised" that mention of France was deliberately omitted by Premier Stalin when he made charges against the US and the UK during his recent PRAVDA interview. This omission was reportedly intended both as a warning to France and as an invitation to adopt a policy of neutrality toward the USSR. The message received by the French Ambassador reiterated Soviet charges that the US and UK are seeking a pretext for instigation of a new war and declared that France can preserve peace by preventing the realization of US and British plans.

(CIA Comment: CIA believes that although the USSR will continue to exploit French fear of war, the PRAVDA interview was not intended primarily to wean France from the western powers. Stalin's interview was designed to:

(a) prepare the Soviet people for further unilateral action by the USSR in Germany; and (b) add the weight of Stalin's personal prestige to the Soviet position in the Berlin dispute.

CIA does not believe that US-UK relations with the present French Government will be altered by this "indirect" Soviet approach.)

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